

ESSB 6481 - H COMM AMD
By Committee on Commerce & Labor

ADOPTED 03/03/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 67.16 RCW
4 to read as follows:

5 (1) The horse racing commission may authorize advance deposit
6 wagering to be conducted by:

7 (a) A licensed class 1 racing association operating a live horse
8 racing facility; or

9 (b) The operator of an advance deposit wagering system accepting
10 wagers pursuant to an agreement with a licensed class 1 racing
11 association. The agreement between the operator and the class 1 racing
12 association must be approved by the commission.

13 (2) No system of advance deposit wagering located outside of or
14 within the state of Washington may accept wagers from residents or
15 other persons located within this state, nor shall residents or other
16 persons located within this state place wagers through advance deposit
17 wagering systems, except with a licensed class 1 racing association
18 authorized to conduct advance deposit wagering, or an operator of an
19 advance deposit wagering system under an agreement approved by the
20 commission with a licensed class 1 racing association. Advance deposit
21 wagering may be accepted for races conducted in the state of Washington
22 under a class 1 license or races not conducted within the state of
23 Washington on a schedule approved by the class 1 licensee.

24 (3) As used in this section, "advance deposit wagering" means a
25 form of parimutuel wagering in which an individual deposits money in an
26 account with an entity authorized by the commission to conduct advance
27 deposit wagering and then the account funds are used to pay for
28 parimutuel wagers made in person, by telephone, or through
29 communication by other electronic means.

1 (4) In order to participate in advance deposit wagering, the holder
2 of a class 1 racing association license must have conducted at least
3 one full live racing season. All class 1 racing associations must
4 complete a live race meet within each succeeding twelve-month period to
5 maintain eligibility to continue participating in advance deposit
6 wagering.

7 (5) When more than one class 1 racing association is participating
8 in advance deposit wagering the moneys paid to the racing associations
9 shall be allocated proportionate to the gross amount of all sources of
10 parimutuel wagering during each twelve-month period derived from the
11 associations' live race meets. This percentage must be calculated
12 annually. Revenue derived from advance deposit wagers placed on races
13 conducted by the class 1 racing association shall all be allocated to
14 that association.

15 (6) The commission shall adopt rules regulating advance deposit
16 wagering.

17 (7) This section expires October 1, 2007.

18 **Sec. 2.** RCW 67.16.200 and 2001 1st sp.s. c 10 s 2 are each amended
19 to read as follows:

20 (1) A class 1 racing association licensed by the commission to
21 conduct a race meet may seek approval from the commission to conduct
22 parimutuel wagering (~~on its program~~) at a satellite location or
23 locations within the state of Washington. In order to participate in
24 parimutuel wagering at a satellite location or locations within the
25 state of Washington, the holder of a class 1 racing association license
26 must have conducted at least one full live racing season. All class 1
27 racing associations must hold a live race meet within each succeeding
28 twelve-month period to maintain eligibility to continue to participate
29 in parimutuel wagering at a satellite location or locations. The sale
30 of parimutuel pools at satellite locations shall be conducted (~~only~~
31 ~~during the licensee's race meet and~~) simultaneous to all parimutuel
32 wagering activity conducted at the licensee's live racing facility in
33 the state of Washington. The commission's authority to approve
34 satellite wagering at a particular location is subject to the following
35 limitations:

1 (a) The commission may approve only one satellite location in each
2 county in the state; however, the commission may grant approval for
3 more than one licensee to conduct wagering at each satellite location.
4 A satellite location shall not be operated within twenty driving miles
5 of any class 1 racing facility. For the purposes of this section,
6 "driving miles" means miles measured by the most direct route as
7 determined by the commission; and

8 (b) A licensee shall not conduct satellite wagering at any
9 satellite location within sixty driving miles of any other racing
10 facility conducting a live race meet.

11 (2) Subject to local zoning and other land use ordinances, the
12 commission shall be the sole judge of whether approval to conduct
13 wagering at a satellite location shall be granted.

14 (3) The licensee shall combine the parimutuel pools of the
15 satellite location with those of the racing facility for the purpose of
16 determining odds and computing payoffs. The amount wagered at the
17 satellite location shall be combined with the amount wagered at the
18 racing facility for the application of take out formulas and
19 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and
20 67.16.175. A satellite extension of the licensee's racing facility
21 shall be subject to the same application of the rules of racing as the
22 licensee's racing facility.

23 (4) Upon written application to the commission, a class 1 racing
24 association may be authorized to transmit simulcasts of live horse
25 races conducted at its racetrack to locations outside of the state of
26 Washington approved by the commission and in accordance with the
27 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or
28 any other applicable laws. The commission may permit parimutuel pools
29 on the simulcast races to be combined in a common pool. A racing
30 association that transmits simulcasts of its races to locations outside
31 this state shall pay at least fifty percent of the fee that it receives
32 for sale of the simulcast signal to the horsemen's purse account for
33 its live races after first deducting the actual cost of sending the
34 signal out of state.

35 (5) Upon written application to the commission, a class 1 racing
36 association may be authorized to transmit simulcasts of live horse
37 races conducted at its racetrack to licensed racing associations

1 located within the state of Washington and approved by the commission
2 for the receipt of the simulcasts. The commission shall permit
3 parimutuel pools on the simulcast races to be combined in a common
4 pool. The fee for in-state, track-to-track simulcasts shall be five
5 and one-half percent of the gross parimutuel receipts generated at the
6 receiving location and payable to the sending racing association. A
7 racing association that transmits simulcasts of its races to other
8 licensed racing associations shall pay at least fifty percent of the
9 fee that it receives for the simulcast signal to the horsemen's purse
10 account for its live race meet after first deducting the actual cost of
11 sending the simulcast signal. A racing association that receives races
12 simulcast from class 1 racing associations within the state shall pay
13 at least fifty percent of its share of the parimutuel receipts to the
14 horsemen's purse account for its live race meet after first deducting
15 the purchase price and the actual direct costs of importing the race.

16 (6) A class 1 racing association may be allowed to import
17 simulcasts of horse races from out-of-state racing facilities. With
18 the prior approval of the commission, the class 1 racing association
19 may participate in (~~(an interstate)~~) a multijurisdictional common pool
20 and may change its commission and breakage rates to achieve a common
21 rate with other participants in the common pool.

22 (a) The class 1 racing association shall make written application
23 with the commission for permission to import simulcast horse races for
24 the purpose of parimutuel wagering. Subject to the terms of this
25 section, the commission is the sole authority in determining whether to
26 grant approval for an imported simulcast race.

27 (~~(b) ((A licensed racing association may also be approved to import
28 one simulcast race of regional or national interest on each live race
29 day.~~

30 (~~(c) The commission may allow simulcast races of regional or
31 national interest to be sent to satellite locations. The simulcasts
32 shall be limited to one per day except for Breeder's Cup special events
33 day.~~

34 (~~(d)~~)) When open for parimutuel wagering, a class 1 racing
35 association which imports simulcast races shall also conduct simulcast
36 parimutuel wagering within its licensed racing enclosure on all races

1 simulcast from other class 1 racing associations within the state of
2 Washington.

3 ~~((e) The conduct of parimutuel wagering on imported simulcast~~
4 ~~races shall be for not more than fourteen hours during any twenty four~~
5 ~~hour period, for not more than five days per week and only at the live~~
6 ~~racing facility of a class 1 racing association.~~

7 ~~(f))~~ (c) On any imported simulcast race, the class 1 racing
8 association shall pay fifty percent of its share of the parimutuel
9 receipts to the horsemen's purse account for its live race meet after
10 first deducting the purchase price of the imported race and the actual
11 costs of importing and offering the race.

12 (7) For purposes of this section, a class 1 racing association is
13 defined as a licensee approved by the commission to conduct during each
14 twelve-month period at least forty days of live racing. If a live race
15 day is canceled due to reasons directly attributable to acts of God,
16 labor disruptions affecting live race days but not directly involving
17 the licensee or its employees, or other circumstances that the
18 commission decides are beyond the control of the class 1 racing
19 association, then the canceled day counts toward the forty-day
20 requirement. The commission may by rule increase the number of live
21 racing days required to maintain class 1 racing association status or
22 make other rules necessary to implement this section.

23 (8) This section does not establish a new form of gaming in
24 Washington or allow expanded gaming within the state beyond what has
25 been previously authorized. Simulcast wagering has been allowed in
26 Washington before April 19, 1997. Therefore, this section does not
27 allow gaming of any nature or scope that was prohibited before April
28 19, 1997. This section is necessary to protect the Washington equine
29 breeding and racing industries, and in particular those sectors of
30 these industries that are dependent upon live horse racing. The
31 purpose of this section is to protect these industries from adverse
32 economic impacts and to promote fan attendance at class 1 racing
33 facilities. ~~((Therefore, imported simulcast race card programs shall~~
34 ~~not be disseminated to any location outside the live racing facility of~~
35 ~~the class 1 racing association and a class 1 racing association is~~
36 ~~strictly prohibited from simulcasting imported race card programs to~~
37 ~~any location outside its live racing facility.)) Therefore, a licensed~~

1 class 1 racing association may be approved to disseminate imported
2 simulcast race card programs to satellite locations approved under this
3 section, provided that the class 1 racing association has conducted at
4 least forty live racing days with an average on-track handle on the
5 live racing product of a minimum of one hundred fifty thousand dollars
6 per day during the twelve months immediately preceding the application
7 date. However, to promote the development of a new class 1 racing
8 association facility and to meet the best interests of the Washington
9 equine breeding and racing industries, the commission may by rule
10 reduce the required minimum average on-track handle on the live racing
11 product from one hundred fifty thousand dollars per day to thirty
12 thousand dollars per day.

13 (9) A licensee conducting simulcasting under this section shall
14 place signs in the licensee's gambling establishment under RCW
15 9.46.071. The informational signs concerning problem and compulsive
16 gambling must include a toll-free telephone number for problem and
17 compulsive gamblers and be developed under RCW 9.46.071.

18 (10) Chapter 10, Laws of 2001 1st sp. sess. does not establish a
19 new form of gaming in Washington or allow expanded gaming within the
20 state beyond what has been previously authorized. Simulcast wagering
21 has been allowed in Washington before August 23, 2001. Therefore, this
22 section does not allow gaming of any nature or scope that was
23 prohibited before August 23, 2001. Chapter 10, Laws of 2001 1st sp.
24 sess. is necessary to protect the Washington equine breeding and racing
25 industries, and in particular those sectors of these industries that
26 are dependent upon live horse racing. The purpose of chapter 10, Laws
27 of 2001 1st sp. sess. is to protect these industries from adverse
28 economic impacts and to promote fan attendance at class 1 racing
29 facilities. ~~((Therefore, imported simulcast race card programs shall~~
30 ~~not be disseminated to any location outside the live racing facility of~~
31 ~~the class 1 racing association and a class 1 racing association is~~
32 ~~strictly prohibited from simulcasting imported race card programs to~~
33 ~~any location outside its live racing facility.~~

34 ~~(11) If a state or federal court makes a finding that the increase~~
35 ~~in the number of imported simulcast races that may be authorized under~~
36 ~~chapter 10, Laws of 2001 1st sp. sess. is an expansion of gaming beyond~~

1 that which is now allowed, chapter 10, Laws of 2001 1st sp. sess. is
2 null and void.

3 ~~(12) If any provision of chapter 10, Laws of 2001 1st sp. sess. or~~
4 ~~its application to any person or circumstance is held invalid, the~~
5 ~~remainder of chapter 10, Laws of 2001 1st sp. sess. or the application~~
6 ~~of the provision to other persons or circumstances is also invalid.)~~)

7 **Sec. 3.** RCW 67.16.160 and 1994 c 154 s 314 are each amended to
8 read as follows:

9 No later than ninety days after July 16, 1973, the horse racing
10 commission shall (~~promulgate~~) adopt, pursuant to chapter 34.05 RCW,
11 reasonable rules implementing to the extent applicable to the
12 circumstances of the horse racing commission the conflict of interest
13 laws of the state of Washington as set forth in (~~chapters 42.21 and~~)
14 chapter 42.52 RCW. In no case may a commissioner make any wager on the
15 outcome of a horse race at a race meet conducted under the authority of
16 the commission.

17 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and takes effect
20 immediately."

21 Correct the title.

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